African Peering Evolution

TERACO
DATA ENVIRONMENTS

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Protect . Connect . Grow

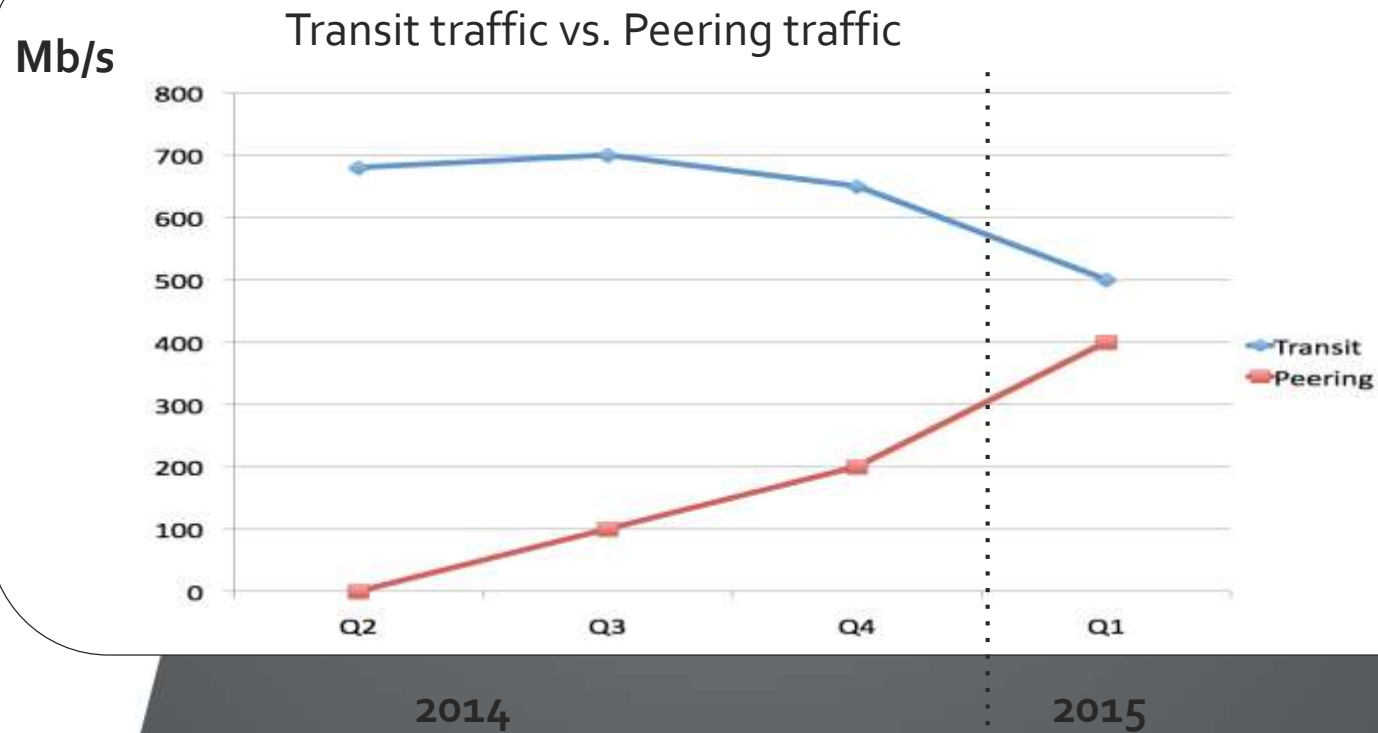# Peering is the key to success: Teraco case study

	2010	2011	2012	2013	2014
DC/FACILITIES	CT1 **500m²**	JB1 **1,750m²**	DB1 **2,450m²**	EXP. **3,570m²**	EXP. **6,200m²**
TERACO CLIENTS	3	35	70	135	185
NAPAfrica PEERS	0	0	63	124	187

Peering Promotes Growth

Peering Case Study: Large African Bank

Transit traffic vs. Peering traffic

*Case Study: Major SA bank saved approximately Ro.7m per month, R8m pa

The Challenges

- Limited amount of **ACTIVE** IXP's in Africa both technically and commercially.

- Cost of bandwidth at $50.00 per 1Mbps reduces opportunity for global New Entrants.

- Majority of potential new members e.g. Enterprise, do not have technical skills or assets therefore still heavily reliant on transit.

- Lack of stable power, cost of power and reliable infrastructure = reduce infrastructure investment.

- Majority of countries still operate as a monopoly managed by governments – don't only focus on large carriers.

- Larger networks hanging onto legacy transit revenues therefore generally do not join the exchange and if join polices are very selective.

- Interconnection costs very high in non neutral data centres.

- Interconnection costs between facilities very high $18000.00 1Gbps fibre non redundant – South Africa costs have reduced $1500 1Gbps.

- The concept of "build and they will come" does not apply.

*Source:*451 Research **CBRE*

Where to from here?

- Don't forget your neighbours: IXP's are not there only to service 1 country at a time.

- Focus on your remote peering and cross border benefits.

- Hear it from our members:

Paratus Telecom's Samantha Geyser, says that Paratus saves 200mbps per month on international bandwidth by peering with NAPAfrica: "This has saved us on the high cost of bandwidth in Namibia, and we also have access to content from Google and Akamai as a result. This access is a huge advantage for Paratus Telecom."

Asif Kassam, Technical Director, Skyband, a leading Internet provider in Malawi says that the ISP has reduced its relatively high IP transit in Africa: "By peering at NAPAfrica in Johannesburg, Skyband has been able to provide low latency connectivity to DNS, several large CDNs as well as a range of South African and African content to our customers. With multiple diverse paths between Malawi and Johannesburg, the additional performance improvement due to reduced latency has also seen an accelerated growth in its recently deployed 4G WiMAX network. Currently over 40% of Skyband's IP transit requirements are served directly from NAPAfrica"

Thank You